

Socialist Economic System with Chinese Characteristics as the Inheritance and Development of Scientific Socialism

—A Critique of Three Popular Misunderstandings

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Abstract: The basic principle of the economic system in scientific socialism is the theoretical root for socialist economic system with Chinese characteristics. Socialism with Chinese characteristics is part of scientific socialism, and the practical experience of world socialism is an important reference for the establishment and development of socialist economic system with Chinese characteristics. The national conditions of China in the primary stage of socialism are the realistic basis for the formation of this economic system, and the socialist economic system will transit from its primary stage to the intermediate stage, followed by the higher stage, and eventually reach communist society. Socialism with Chinese characteristics and its economic system provide a good example and model that can be used as a reference for the world. Various economic models of scientific socialism should learn from each other

and achieve progress together. It is erroneous for the viewpoints to "sever scientific socialism from socialism with Chinese characteristics", or consider "the primary stage of socialism to be eternal" and "socialist economic system with Chinese characteristics as the only model", among others.

Keywords: Economic Principle of Scientific Socialism, Socialism with Chinese Characteristics, Economic System in the Primary Stage of Socialism, Marxist Political Economy

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Socialism with Chinese characteristics is a brand-new undertaking. As socialism, it must follow the theoretic logic of scientific socialism, and tally with the historic logic of human social development. With Chinese characteristics, it must be based on the national conditions of China in the primary stage of socialism, and practically logical in effectively addressing problems in the development of contemporary China. A two-way construction of scientific theory and innovative practice is needed for logical self-consistency between the theoretic logic of scientific socialism and the practical logic of development of contemporary China. It is the centenary of the victory of Russia's October Revolution in 2007. Over the past century, the world socialism has accumulated a great deal of valuable experience, and suffered considerable bitter lessons. There are still quite a few doubts, theoretical and practical, on socialism with Chinese characteristics, especially the socialist economic system with Chinese characteristics. Xi Jinping pointed out, "Socialism with Chinese characteristics

is the dialectical unity of the theoretic logic of scientific socialism and historic logic of the Chinese social development. It is the scientific socialism rooted in the land of China, reflecting the wishes of the Chinese people, and adapting to the requirements of development and progress of China and the times . . . Socialism with Chinese characteristics is socialism instead of any other-ism. It won't be socialism without the basic principles of scientific socialism."• Summarizing the basic principles of the economic system in scientific socialism, this paper holds that socialism with Chinese characteristics is part of scientific socialism rather than any other-ism, and further clarifies the basic principles of the economic system in scientific socialism are the theoretical root for the socialist economic system with Chinese characteristics. From the perspective of the practical development of scientific socialism, this paper distinguishes similarities and differences between socialism with Chinese characteristics and other models of socialism, and reveals the basic features of the socialist economic system with Chinese characteristics. The critique of some controversial viewpoints "severing scientific socialism from socialism with Chinese characteristics", among others, eliminates various misunderstandings of socialism with Chinese characteristics, and accurately grasps the historical orientation of socialist economic system with Chinese characteristics.

§ 1. Basic Principles of Scientific Socialism: Theoretical Root for Socialist Economic System with Chinese Characteristics

Socialism with Chinese characteristics is neither a windfall nor a daydream of some people. It is the outgrowth of the combination between basic principles of Marxism and concrete realities of contemporary China. The first and foremost question to be addressed here is how to correctly understand the relationship between socialism with Chinese characteristics and scientific socialism. Some people often sever socialism with Chinese characteristics from scientific socialism, holding that socialism with Chinese characteristics is a denial of scientific socialism, of which the basic principles are out of date. Others consider the basic principles

1 This paper is the staged achievement of the project of National Social Science Foundation entitled "Research on Innovation of Farmland System in China from the Perspective of Marxist Theory of Land Property" (16BSK.038). See *People's Daily* (January 6, 2013).

of scientific socialism dogmatic, arguing that the socialist economic system with Chinese characteristics is in essence "capitalism with Chinese characteristics". In both cases, the cause of socialism is to be hurt. To improve the socialist economic system with Chinese characteristics, we should not only follow the basic principles of scientific socialism, but master the methods to do so.

Although Marx and Engels did not specifically and systematically write on the future society, they brought forth many a scientific foresights to the social system in the future, which exerted a far-reaching influence on people's thought of socialism. Where did people derive their concepts of scientific socialism? First of all, they did from the works of Marx and Engels. It is one-sided to have equated complete public ownership, distribution according to work, and planned regulation in the entire society with the primary stage of socialism for a long time. However, giving up the predominant public ownership and distribution according to work as well as the planned regulation means to negate scientific socialism and socialism with Chinese characteristics. To adhere to socialism with Chinese characteristics, we must adhere to the basic thoughts of classic Marxist writers on the economic system in scientific socialism.

1. Public Ownership is the Property Principle of Socialist Economic System

Although the thought of Marx and Engels on ownership of the new social system in the future experienced a developing process from immaturity to maturity, they never changed their viewpoint that the new social system in the future must be built on public ownership of the means of production, and regarded implementation of this ownership in the future social system as its "decisive difference" with the capitalist system. Marx and Engels pointed out in the *Manifesto of the Communist Party*, "The theory of the communists may be summed up in the single sentence: Abolition of private property." "The Communist revolution is the most radical rupture with traditional property relations." They argued that after the victory of the proletarian revolution, "the proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, i. e., of the proletariat organized as the ruling class."¹

¹ Marx & Engels, *Manifesto of the Communist Party* (Beijing: People's Publishing House, 2017), 42, 49.

In the view of Marx and Engels, one of the basic issues of the communist movement was the ownership of the means of production. In *Economical and Philosophical Manuscript in 1844*, Marx argued, "The emancipation of society from private property, etc., from servitude, is expressed in the political form of the emancipation of the workers; not that their emancipation alone is at stake, but because the emancipation of the workers contains universal human emancipation."¹ Engels also pointed out in the *Outlines of a Critique of National Economy* that private ownership must be abolished before eradicating social malpractices brought about by the capitalist system. Later, Engels argued explicitly in *The Principles of Communism*, "private property cannot be separated from competition and the individual management of industry. Private property must, therefore, be abolished and in its place must come the common utilization of all instruments of production and the distribution of all products according to common agreement—in a word, what is called the communal ownership of goods."² Marx and Engels clearly expressed here a very important idea: abolish private ownership, and replace it with "communal ownership of goods" or "ownership of the means of production by society", because they realized that private ownership was the origin of human inequality, and the root of all the evils of human society.

Man's emancipation, and free and well-rounded development are the ultimate goal of the cause of communism. According to Marx and Engels, the economic foundation and basic premise to this goal is public ownership of the means of production. In the article *In Commemoration of the Seventh Anniversary of the Founding of the Communist International*, Marx pointed out: "The sole basis for class rule and class oppression will be eliminated as long as all the means of labor are transferred to laborers engaged in production, thereby the extant conditions of oppression are eliminated, and each healthy person is thereby forced to work for survival."³ In *The Nationalization of the Land*, he argued, "National centralization of the means of production will become the national basis of a society composed of associations of free and equal producers."⁴ The "national centralization of the

1 *Selected Works of Marx and Engels, Volume I* (Beijing: People's Publishing House, 2009), 167.

2 *Selected Works of Marx and Engels, Volume 3* (Beijing: People's Publishing House, 2009), 683.

3 *Selected Works of Marx and Engels, Volume 3* (Beijing: People's Publishing House, 2009), 619.

4 *Selected Works of Marx and Engels, Volume 3* (Beijing: People's Publishing House, 2009), 233.

means of production" mentioned here refers to "state ownership of the means of production", which was regarded as the economic basis of the new social system in the future. Engels brought forth the same principle of system in *Anti-Duhring*, "The proletariat seizes political power and turns the means of production in the first instance into state property."¹ In *The Peasant stion in France and Germany*, he stated clearly, "The task of socialism is rather only to transfer the means of production to the producers as their common possession."²

It is noteworthy that in the thought of Marx and Engels on ownership, cooperative ownership was an important content. In their views, though the product of the modern production under capitalist conditions, the cooperative system was a bridge to elimination of capitalism and to communism. Its social significance could not be manifested until put under the premise of socialized possession of the means of production. As Engels pointed out in his letter to August Bebek, "Nor have Marx and I ever doubted that, in the course of transition to a wholly communist economy, widespread use would have to be made of cooperative management as an intermediate stage. Only it will mean so organizing things that society, i. e. , initially the State, retains ownership of the means of production and thus prevents the particular interests of the cooperatives from taking precedence over those of society as a whole."³

Obviously, Marx and Engels, after founding the materialist conception of history, utilized the conception in criticizing the capitalist ownership, and revealing the historical destiny of genesis, development and demise of the capitalist private ownership. They emphasized that "the state ownership of the means of production is the economic basis of the new social system", and made it clear that the basis of the socialist system was "communal possession of the means of production", and "transferring the means of production to the producers as their common possession." The purpose of the whole argumentation of *Capital*, the most representative work of Marx's thought of political economy, was to eliminate capitalist private ownership, and establish public ownership of the means of production. It can be said that without public ownership of the means

1 &kcmJ *Works of Marx and Engels, Volume 9* (Beijing: People's Publishing House, 2009), 297.

2 &kcmJ *Works of Marx and Engels, Volume 4* (Beijing: People's Publishing House, 2009), 517.

3 &kcmJ *Works of Marx and Engels, Volume 4* (Beijing: People's Publishing House, 2012), 581.

of production, there would be no socialism. The practical process of scientific socialism is the process of seeking public ownership of the means of production.

2. Distribution According to Work Is the Principle of Distribution in Socialist Economic System

As to distribution of the new social system in the future, it had been up to 30 years from Marx and Engels making the first contact in the 1840s, followed by the first volume of Marx's *Capital* in the 1860s, and to a comparatively complete scientific elucidation on the theory of "distribution according to work" in Marx's *Critique of the Gotha Program* in the 1870s. It is obvious that the basic thought of Marx and Engels on distribution according to work in the future society also experienced a process from immaturity to maturity.

Some people argued that Marx and Engels disapproved of "distribution according to work" in their early days, because at that time, they were opposed to "pay according to ability", which, in fact, meant opposition to "distribution according to work". It was true that Marx and Engels took a negative attitude towards "pay according to ability" advocated by the School of Saint-Simon, and this distribution principle did contain the sprouting of the thought of "distribution according to work", but this could not lead to the conclusion that Marx and Engels negated "distribution according to work" in their early years. Saint-Simon's "pay according to ability", and principle of distribution according to "talent" were mixed with retention of private ownership and profit income. This was very different from the principle of "distribution according to work" based on complete elimination of private ownership and capital profits, which was scientifically expounded by Marx later. Negating Saint-Simon's "pay according to ability" and distribution according to "talent" did not mean to negate "distribution according to work". Marx, of course, had not yet fully concluded the principle of "distribution according to work" for the lower stage of communist society. At that time, Marx and Engels had not yet formed the theory of the two stages of communist society, and of course there was no way to put forward the theory of different but interrelated distribution principles and systems corresponding to the two stages. Proceeding from man's social nature, Marx and Engels demanded that the future society eliminate any unequal appropriation and consumption.

With the establishment of the materialist conception of history, the thought of Marx and Engels on distribution broke the "humanistic" confine, and gradually became scientific. From 1857 to 1858, Marx, starting from the viewpoint that production determined distribution, pointed out in the manuscript of the *Outlines of the Critique of Political Economy*, "The individual labor has been defined as social labor from the very beginning. Therefore, whatever the material image of a product an individual produces or helps produce, what he buys with his labor is not a particular commodity, but a certain share of his part in collective production he deserves."¹ In 1867, Marx argued in *Capital*, "We will assume, but merely for the sake of a parallel with the production of commodities, that the share of each individual producer in the means of subsistence is determined by his labor-time. Labor-time would, in that case, play double parts. Its appropriation in accordance with a definite social plan maintains the proper proportion between the different kinds of work to be done and the various wants of the community. On the other hand, it also serves as a measure of the portion of the common labor borne by each individual, and of his share in the part of the total product destined for individual consumption."² Here, the expression of distribution according to work is quite clear. This also shows that Marx had realized that distribution according to work might be implemented for a certain period in the new society in the future.

In 1875, Marx comprehensively expounded on distribution in the socialist society in *Critique of the Gotha Program*. He put forward the theory of two stages for the development of communist society for the first time, and combined the theory of distribution according to work with the development stage of communist society. He scientifically demonstrated the objective necessity of distribution according to work as the principle of distribution in the lower stage of communism, and expounded on the necessary economic conditions for transition from distribution according to work to distribution according to demand. Having clarified the relationship between distribution according to work and public ownership of the means of production, he drew a conclusion that "any distribution whatever of the means of consumption is only a consequence of the distribution

1 Marx, *A Contribution to the Critique of Political Economy, Volume I* (Beijing: People's Publishing House, 1955), 111.

2 Marx, *Capital, Volume I* (Beijing: People's Publishing House, 2004), 96.

of the conditions of production themselves"¹ He made a concrete explanation on distribution according to work in the lower stage of communism, proposing that socialism, after making the necessary deduction from the total social products, carried out distribution among workers. "The individual producer receives back from society--after the deductions have been made--exactly what he gives to it. The same amount of labor which he has given to society in one form, he receives back in another."² So far, distribution according to work, as the socialist principle of distribution, had clearly and unerringly become an important component part of the theory of scientific socialism, which is also an important principle that must always be followed in the reform of distribution system in China.

3. Planned Regulation Is the Management Principle of the Socialist Economic System

The thought of Marx and Engels on planned regulation in future social production is an important part of their scientific socialism. "Its formation was mainly based on two aspects: one is critical inheritance of the reasonable core of utopian socialism; the other is logical inference of capitalist mode of production and its consequences."³ The utopian socialists once fiercely criticized anarchy of capitalist production, but such concern and criticism only remained at the level of morality. Marx and Engels, having critically inherited the reasonable core of utopian socialism, scientifically analyzed and revealed the basic contradictions of capitalist mode of production with the basic principles of dialectical materialism and historical materialism, and "logically inferred" the planned regulation of social production in the future.

The contradiction in the capitalist society between the socialized production and the capitalists' private appropriation was the root for anarchy of capitalist production, and more importantly, for various capitalist economic crises. With upgrading socialization of production, this contradiction was increasingly manifested in two major antagonisms: "the antagonism between the bourgeoisie and the proletariat" and "the antagonism between the organization of production

1 *Selected Works of Marx and Engels, Volume 3* (Beijing: People's Publishing House, 2012), 365.

2 *Selected Works of Marx and Engels, Volume 3* (Beijing: People's Publishing House, 2009), 434.

3 Fan Peng, "Marx and Engels' Thoughts on 'Planned Social Production' and Its Contemporary Enlightenment-Based on the Study and the Practice's Dual Dimension," *Teaching and Research*, No. 8 (2016).

in the individual workshop, and the anarchy of production in society generally!"¹ Facing this basic contradiction of capitalism, market regulation could neither avoid anarchy and economic crisis, nor damage to social productive forces and waste of resources. Just as Engels argued in *Socialism: Utopian and Scientific*, "Especially with the introduction of the capitalist mode of production, the laws of commodity-production, hitherto latent, came into action more openly and with greater force. It became apparent that the production of society at large . . . grew to greater and greater height."²

In fact, the necessity of planned regulation of production in future society was analyzed in many works of Marx and Engels. As early as in *The German Ideology*, Marx and Engels put forward the viewpoint that communist "society regulates the general production". In the *Economic Manuscripts of 1857-1858*, Marx argued, "Society must distribute its time purposefully so that it can achieve production that meets the full needs of society. Therefore, the saving of time and the planned distribution of labor time in different production sectors remain the foremost economic law on the basis of common production."⁴ In the classic *Anti-Duhring*, Engels elucidated the principle of planned regulation of production in socialist society in more details, which marked that "planned regulation of social production" became the basic principle of economic system in scientific socialism.

How is it possible for planned regulation of social production? Marx argued that the planned distribution of social labor in proportion was an objective law that acted in any form of society, but not any society could grasp and apply this law effectively. The irreconcilable inherent basic contradictions of capitalism prevented the "planned regulation of social production" in the capitalist mode of production. Planned regulation must be preconditioned. In *Socialism: Utopian and Scientific*, Engels also argued, "The proletariat seizes the public power, and by means of this transforms the socialized means of production, slipping from the hands of the bourgeoisie, into public property."⁵ Marx and Engels emphasized

1 *Works of Marx and Engels, Volume 9* (Beijing: People's Publishing House, 2009), 288, 290.

2 *Works of Marx and Engels, Volume 3* (Beijing: People's Publishing House, 2009), 553.

3 *Complete Works of Marx and Engels, Volume 3* (Beijing: People's Publishing House, 1960), 37.

4 *Works of Marx and Engels, Volume 8* (Beijing: People's Publishing House, 2009), 67.

5 *Works of Marx and Engels, Volume 3* (Beijing: People's Publishing House, 2009), 566.

that "the nationalized centralization of the means of production", and "the proletariat seizing the public power" were the preconditions for the planned regulation of social production. Scientific socialists should be aware that one of the important features that distinguish socialist market economy from capitalist market economy is to adhere to the ownership structure with public ownership as the mainstay, that is to say, socialist market economy has been preconditioned for planned regulation of social production, and can overcome the "laissez-faire" state of capitalist market economy.

It can be seen that "distinguishing the basic principle of scientific socialism from concrete form to materialize it is an important methodology for understanding socialism with Chinese characteristics"¹. The construction of the socialist economic system with Chinese characteristics should rather follow the basic principles of scientific socialism all the time than making a "dogmatic" understanding, or a mechanical copy. That is to say, we should not only adhere to public ownership of the means of production, distribution according to work, and planned regulation, but closely combine with the national conditions of contemporary China, create forms to materialize public ownership in practice, and regulate and innovate the way of distribution according to work and planned regulation.

§ II. Economic System in the Primary Stage of Socialism with Chinese Characteristics: Innovation and Development of Scientific Socialism in Practice

General Secretary Xi Jinping pointed out, "How to govern such a socialist society, a completely new society, has not been deeply addressed by world socialism so far. Karl Marx and Friedrich Engels had no practical experience in the comprehensive governance of a socialist country, as their theories about a future society were mostly predictive. Vladimir Lenin, who passed away a few years after the October Revolution (1917) in Russia, was thus unable to explore this question in depth. The Soviet Union tackled this question and gained some experience, but it made serious mistakes and failed to resolve the problem. There

¹ Zhou Xincheng, "On Several Important Theoretical Issues of Adhering to Socialism with Chinese Characteristics," *Leading Journal of Ideological and Theoretical Education*, No. 6 (2014).

is no ready answer to building socialism with Chinese characteristics."¹ As Engels argued, "socialism, since it has become a science, demands that it be pursued as a science, that is, that it be studied."² Similarly, building socialist economic system with Chinese characteristics objectively demands that "it be pursued as science", and inheritance and innovation be organically combined.

"Socialism with Chinese characteristics both upholds the basic principles of scientific socialism and has distinctive Chinese features that reflect contemporary conditions. It offers from new perspectives a deeper understanding of the laws of governance by the Communist Party, laws of building socialism, and laws of the development of human society. By integrating theory with practice, it has systematically addressed the fundamental questions of what kind of socialism we should build and how we should build it in China, a big country in the East with a huge population and a weak economy to start with."³ It has been proved by the practice of China's reform and opening up in the past 40 years that the path of socialist economic development with Chinese characteristics is correct, the socialist economic theory with Chinese characteristics is scientific, and the socialist economic system with Chinese characteristics is rational. We must be aware from the following three aspects how the economic system in the primary stage of socialism with Chinese characteristics inherits and develops the basic economic principles of scientific socialism.

Firstly, market-oriented public ownership remaining dominant is the property feature of socialist economic system with Chinese characteristics.

One of the basic economic principles of scientific socialism is to realize public ownership of the means of production by society as a whole on the basis of a planned economy. In the course of reform, we define the property system in the primary stage of socialism with Chinese characteristics as "the public ownership remaining dominant and co-development of economy of diverse ownerships". This is inherited development, because public ownership remains dominant. For the first time the report of the 15th National Congress of the Central Committee of

1 *Xi Jinping: The Governance of China* (Beijing: Foreign Languages Press, 2014), 91.

2 *Selected Works of Marx and Engels, Volume 1* (Beijing: People's Publishing House, 2009), 219.

3 See *Collection of Documents for the 18th National Congress of the Communist Party of China* (Beijing: People's Publishing House, 2012).

CPC explicitly pointed out, "It is China's basic economic system for the primary stage of socialism to retain a dominant position for public ownership and to develop diverse forms of ownership side by side." Here, we must make clear the following two questions: First, why should we adhere to the dominant position of public ownership? Some people contradicted that the term "the public ownership remaining dominant and co-development of economy of diverse ownerships" was unfair in that in market economy, diverse forms of ownership should compete fairly, and the competitive one would dominate, leaving it unjustifiable to confer a "dominance" title upon public ownership. In this regard, Deng Xiaoping gave a very classic statement, "Predominance of public ownership and common prosperity are the two fundamental socialist principles that we must adhere to."¹ However, it should be clarified here that "dominance" is not conferred, but determined by the nature of socialist system and the role that public ownership should play in national economy. Second, why is public ownership compatible with market economy? This is a difficult problem for construction of socialist economic system with Chinese characteristics. Their compatibility would be impossible for the traditional understanding of "public ownership" and "market economy". To be compatible, "public ownership" and "market economy" must be given a new logical interpretation from the perspective of the theory of socialism with Chinese characteristics. That is to say, compatibility of public ownership and market economy is neither the general feature and requirement for public ownership to change market economy, nor the basic attribute and requirement for market economy to change public ownership, but a compatibility maintaining the basic attribute and requirement of each other.

In the process of organic compatibility, on the one hand, public ownership, without changing its basic attribute, actively adapts to the requirement of market economy. According to the scientific definition given by the 15th National Congress of the Central Committee of CPC, the public sector includes not only the state-and collectively-owned sectors, but also the state-and collectively-owned elements in the sector of mixed ownership. This definition is unchangeable for its involvement of the belonging of the means of production and the nature of ownership. In order to meet the requirement of market economy, public ownership

1 *Selected Works of Deng Xiaoping, Volume 3* (Beijing: People's Publishing House, 1993), 111.

should accept reform while keeping its essence unchanged. It means that we should make efforts in practice to explore diversified forms to materialize public ownership, and transform public enterprises into the mainstay of market economy. Each enterprise is an independent economic entity, operating independently, and responsible for their own profits and losses. This involves the organizational form and operation mode of developing the productive forces. All the operation modes and organizational forms that reflect the law of modern production can be used boldly in exploration of diverse forms to materialize public ownership so as to ensure the public sector develops in a larger scope. On the other hand, market economy should actively adapt to the requirement of public ownership while keeping its attribute unchanged. All economic activities are directly or indirectly involved in the market relationship; all enterprises shall have the right to independent production and operation, responsible for their own profits and losses; in principle, government departments shall not directly intervene in specific production and operation of enterprises. This is a general feature of the market economy, to which we must adhere. To meet the requirement of public ownership, market economy must reflect the basic attribute and requirement of public ownership, and market economic structure must be built in accordance with the requirement of public ownership. Market economy, neither "capitalist" nor "socialist" itself, when connected with public ownership, bears the "brand" of socialism, turns into the socialist-natured market economy, and serves socialism. Socialist market economy demands that the dominant participant of market economy remain consistent in pursuing its direct interests and meeting the needs of social members, subordinate its partial interests to the interests of society as a whole, and regulate and control its market activities according to the state laws and regulations, among others. In a certain sense, the process of reform is a process to realize efficient compatibility between market economy and public ownership. The achievements of reform and development in the past 40 years have proved that the socialist market economy built on the ownership structure with public ownership as the mainstay is more efficient and fairer than the capitalist market economy predominated by private ownership.

At present, we must resolutely implement Xi Jinping's new ideas, new thinking, and new strategies on confidently strengthening, improving, and enlarging the state

owned enterprises and actively developing the collective economy, and constantly improve the basic economic system at the primary stage of socialism. We shall unswervingly consolidate and develop the public sector of the economy and push forward the economic reform of mixed ownership with public capital holding the controlling shares.

Secondly, market-oriented distribution according to work remaining dominant is the distribution feature of the socialist economic system with Chinese characteristics. The second basic economic principle of scientific socialism is to realize the unified distribution according to work in society as a whole on the basis of planned economy. In the course of reform, we defined the distribution system in the primary stage of socialism with Chinese characteristics as "distribution according to work remaining dominant, and coexistence of a variety of modes of distribution". This is inherited development, because distribution according to work remains dominant. For the first time, the 15th National Congress of the Central Committee of CPC clearly explicitly pointed out, "We shall keep to the system in which distribution according to work is primary and in which a variety of modes of distribution coexist." That is to say, the system of market-oriented distribution according to work is the distribution feature of the socialist economic system with Chinese characteristics. The reform practice in recent 40 years shows that three changes have taken place in China's system of income distribution: first, single distributor has changed into diversified distributors, i. e. , from the state into both the state and enterprises; second, single mode of distribution has changed into diversified modes, ¹ i. e. , from distribution according to work into a variety of modes of distribution including distribution according to work; third, the planned distribution mechanism has changed into the market-oriented mechanism. That is to say, the system of market-oriented distribution according to work is the distribution feature of socialist economic system with Chinese characteristics.

Here we need to clarify two questions: First, why should we adhere to the dominant distribution according to work? Because "Any distribution whatever of the means of consumption is only a consequence of the distribution of

¹ Gu Yumin, *Theory of Socialist Market-oriented Economics*, (Shanghai: Fudan Univ. Press, 2004), 177.

the conditions of production themselves".¹ In the basic economic system in the primary stage of socialism, public ownership remains dominant, so must distribution according to work in the field of distribution. However, some people argued that under the condition of market economy, we "established the principle that labor, capital, technology, management and other factors of production participate in distribution according to their contribution". Obviously, labor belongs to the category of production factor, and it is unnecessary to mention "distribution according to work (labor)". The income distribution of China can be expressed by "the factors of production participate in distribution according to their contributions". This is a misunderstanding that confuses distribution according to work and distribution according to factors of production. The essence of distribution according to factors of production is distribution according to ownership of factors of production. Under socialist conditions, distribution according to factors of production cannot replace distribution according to work. Distribution according to work is linked to the public sector of economy. Emphasizing the dominant position of distribution according to work is to require that in society as a whole, distribution according to work should make up the largest proportion in all modes of distribution. This "proportion" means that, on the one hand, in the income of laborers in public enterprises, the income acquired from distribution according to work accounts for a larger proportion; on the other hand, the income of laborers acquired by the workers in public enterprises according to work is an important reference as the income standard for both laborers under other forms of ownership, and those working in non-productive sectors.

Second, why is distribution according to work effectively integrated with market economy? The operation of socialist market economy demands that all aspects of economic activities follow the basic law of market economy, with no exception in the field of personal income distribution. The problem that distribution according to work could not be integrated with market economy in the past has been addressed and broken through by the practice of reform and development. Market-oriented distribution according to work has reflected in practice features obviously different from planned distribution according to work.

¹ &lect«/Wor.bofMarxand Engels, Volume 3 (Beijing: People's Publishing House, 2012), 365.

First, the "work" in distribution according to work is not the direct social labor, but only a component part of local labor with enterprise as unit. Whether the work provided by the laborer can obtain the reward and how much the reward depend on whether the laborer's work can be transformed into social labor and how much social labor it can be converted into. Second, distribution according to work cannot be carried out in society as a whole, but only in the local scope. That is to say, the distributor for distribution according to work is not society, but a certain independent accounting enterprise, which, with enterprise as unit, follows a unified standard to distribute according to the quantity and quality of the work provided by the laborers. Third, distribution according to work cannot be directly calculated according to the amount of the labor provided by laborers, but according to the amount of social labor restored in labor exchange made by laborers. For the same amount of labor provided to different enterprises, laborers would obtain different incomes due to different operation effects of these enterprises. Fourth, distribution according to work time cannot be realized by directly exchanging for personal consumer goods with the "labor coupon" marked with labor time, but must be materialized in the form of commodity and money. The labor reward that laborers obtain through distribution according to work can be affected by fluctuation of market price, or in other words, the fluctuation of market price affects laborer's labor income directly. Obviously, market-oriented distribution according to work is the inheritance and development of the theory of distribution according to work in scientific socialism, and has become the distribution feature of the economic system in the primary stage of socialism in China.

At present, we must resolutely implement Xi Jinping's new ideas, new thinking, and new strategies that "we must improve the system in which distribution according to work is dominant and a variety of modes of distribution coexist"¹. On the basis of upholding and improving public ownership as the mainstay, we should constantly reduce the distribution gap in wealth and income, and gradually raise the degree of common prosperity and enjoyment for all the people.

¹ See "Upholding and Advancing Supply-Side Structural Reform, and Expanding Middle-Income Group in Development," *People's Daily* (May 17, 2016).

Thirdly, market-oriented state regulation as the leading factor is the regulation feature of the socialist economic system with Chinese characteristics.

The third basic economic principle of scientific socialism is to realize complete planned economy in society as a whole. In the course of reform, we define the regulation system in the primary stage of socialism with Chinese characteristics as "the organic unity of the market role and the government role on the basis of the socialist market economic system". This is also inherited development, as national plan or regulation plays an extremely important role in the socialist market economy. For the first time, the 14th National Congress of the Central Committee of CPC explicitly pointed out, "Socialist market economic system we are to establish is to ensure the market play a fundamental role in allocating resources under the macroeconomic control of the socialist state." It was pointed out in the *Decision of the Central Committee of the Communist Party of China on Some Major Issues concerning Deepening the Overall Reform* adopted at the Third Plenary Session of the 18th Central Committee of the Communist Party of China, "Let the market play the decisive role in allocating resources and let the government play its functions better." The most particular of socialist economic system with Chinese characteristics is combination between market economy and basic system of socialism. In other words, socialist economy with Chinese characteristics is characterized by development of market economy under socialist conditions, which transcends the concept that only capitalism can develop market economy. Some people argued that the development of market economy means "revolution", which is to revolutionize planned economy, and radically separate from it. Obviously, this viewpoint has bogged down in the theory of economic liberalism, holding that spontaneous regulation of market mechanism can automatically equilibrate economic activities, so that the state need to be involved in economic regulation. Even those advocating state regulation in the West hold that the spontaneous role of market mechanism cannot achieve economic equilibrium, but will inevitably result in various economic crises. Only state regulation can ensure normal economic operation. The frequent maladjustment of economic development in Western countries indicates the invalidity of market regulation. While developing socialist market economy, we cannot abstract socialism, for it contains the feature of social planned regulation over the national economy. The

development of market economy is not to abandon state regulation and plan, but to change the traditional way of national regulation and plan, which completely excludes market regulation. The practice of economic development of socialism with Chinese characteristics has also proved that the modern economic activity is not to address the question whether plan should be combined with market, but how they are combined effectively.

How to understand "let the market play the decisive role in allocating resources and let the government play its functions better"? Xi Jinping stated pertinently, "We must have a good understanding of the relationship between the role of the market and that of the government, which represents a core issue in our economic structural reform."¹ However, when interpreting the relationship between the role of the market and that of the government, some people only talk about the first half of the sentence, emphasizing the decisive role of the market while neglecting playing the functions of the government better. Therefore, we must proceed from the reality of the primary stage of socialism, and iron out the dialectical unity of opposites between market regulation and state regulation. In China's socialist market economy, the market should play a "decisive" role in allocating resources, but this "decisive role" is based on the basic economic system of socialism with Chinese characteristics, and subject to the macroscopic and microscopic regulation of the state. The decisive role of the market and the government role in overall planning and allocation as well as in microscopic regulation form an organic totality. First, they complement functions. Their complementarities can be summarized at least as follows: microscopic and macroscopic complementation in hierarchical equilibrium, short-and long-term complementation in allocating resources, individual and total complementation in benefit adjustment, internal and external complementation in benefit change, high and low complementation in income distribution, among others. Second, they synergize for effect. For an open economic operation system, under certain external conditions, its internal system of market regulation and the state regulation system are bound to have the synergistic effect through non-linear interactions. Third, they are of antinomy in mechanism. The market realizes the short-term and local benefit by spontaneously

¹ See "Correctly Play the Roles of Market and Government, and Promote Sustained and Sound Economic and Social Development," *People's Daily* (May 28, 2014).

regulating allocation of resources through the law of value, while the government actively plans allocation of resources through professional function organizations to realize the long-term and overall benefit.¹ This is the dual regulation mechanism of socialist market economy, which, with market-oriented state regulation as the leading factor, is the operation feature of socialist economic system with Chinese characteristics.

At present, we must resolutely implement Xi Jinping's new ideas, new thinking and new strategies on "striving to form an organic unity and mutual promotion between the role of the market and that of the government"². Based on the decisive role of the market, and performing the overall leading function of the state regulation, we are to complement market regulation and state regulation in advantageous functions, promote sustainable development of national economy and people's livelihood, and take the lead in a just development of economic globalization in a two-way opening up.

§ III. Analysis of Several Controversial Issues of Socialism: Historical Orientation of Socialist Economic System with Chinese Characteristics

It is academically controversial on the nature and historical status of socialist economic system with Chinese characteristics. We disapprove of "severing socialism with Chinese characteristics from scientific socialism", and considering "the primary stage of socialism to be eternal" and "socialist economic system with Chinese characteristics as the only model". With a brief analysis on these views, we are to clarify the essential attribute and historical orientation of socialist economic system with Chinese characteristics.

1. Severing Socialism with Chinese Characteristics from Scientific Socialism

To sever socialism with Chinese characteristics from scientific socialism
or

1 See Cheng Enfu, "On the Formation of a New Regulatory Mechanism Based on Market Regulation with State Regulation as the Leading Factor," *Journal of Finance and Economics*, No. 12(1990).

2 See *People Daily* (September 29, 2015).

juxtapose them with each other can be interpreted as a viewpoint to consider the primary stage of socialism with Chinese characteristics as an "independent form of society". The treatise of this viewpoint holds, "The thoughts and schools of socialism are numerous, complex and diverse in the contemporary world.

However, apart from scientific socialism, there are mainly four schools with far-reaching influence: democratic socialism, ecological socialism, national socialism, and socialism with Chinese characteristics."¹ In addition, they argued, "Socialism with Chinese characteristics is not scientific socialism,"² because scientific socialism (communism) as envisaged by Marx and Engels is impossible to emerge in the primary stage of Chinese socialism; socialism with Chinese characteristics is "socialism of a special historical form", which is "the typical representative of post-development national socialism, and socialism of a different historical form compared with scientific socialism (communism) emerging from the womb of developed capitalism as mentioned by founders of Marxism"⁴; and that the primary stage of socialism is not "the primary stage of the primary stage (the first stage) of communist society", but "the primary stage of the socialist path with Chinese characteristics".⁵ This erroneous and queer view, put forward in the name of implementing socialist market economic system in China, may have the subjective desire to give socialism with Chinese characteristics an accurate historical orientation, but only to bring about the opposite result.

In our opinion, the viewpoint that "socialism with Chinese characteristics is not scientific socialism" is to essentially sever the interior relationship between socialism with Chinese characteristics and scientific socialism, and therefore exclude socialism with Chinese characteristics from scientific socialism. Forcing socialism with Chinese characteristics to juxtapose with democratic socialism, ecological socialism, and national socialism, it cuts off the connection between

1 Wang Huaichao, "Have a Clear Understanding of the New Characteristics of Socialist Development in the Contemporary World," *Study in Marxism* (August 31, 2015).

2 Chen Weotong, "Discussion on Several Major Economic and Theoretical Issues in the Primary Stage of Socialism in China," *Journal of the Party School of the Central Committee of the CPC*, No. 3 (2000).

3 Chen Weotong, "Discussion on Several Major Economic and Theoretical Issues in the Primary Stage of Socialism in China," *Journal of the Party School of the Central Committee of the CPC*, No. 3 (2000).

4 Chen Weotong, "Discussion on Several Major Economic and Theoretical Issues in the Primary Stage of Socialism in China," *Journal of the Party School of the Central Committee of the CPC*, No. 3 (2000).

5 Chen Wentong, "A Theoretical Reflection on Socialist Economic System with Chinese Characteristics," *Struggle*

the practice of socialism with Chinese characteristics and that of scientific socialism, and thus negates the theory of socialism with Chinese characteristics as the inheritance and development of the theory of scientific socialism. "In this way, the theoretical and historical origins of socialism with Chinese characteristics have actually been removed, making it rootless wood and water without source."¹ Is it necessary for socialism with Chinese characteristic, rather a "socialism of special historical form" than "the primary stage (the first stage) of communist society", to implement public ownership, distribution according to work, and planned regulation? Is it still socialist if such basic systems as "public ownership" and "distribution according to work" are abandoned from the socialist economic system with Chinese characteristics? However, the fact is that socialism with Chinese characteristic both upholds the basic principles of Marxist scientific socialism, and closely connects with the reality of China. In the primary stage of socialism, we adhere to the basic economic system in which public ownership remains dominant and diverse sectors of the economy develop side by side, the system in which distribution according to work is primary and a variety of modes of distribution coexist, and the higher goal of economic system moving gradually towards scientific socialism after the establishment and improvement of the socialist market economic system in terms of the economic operation mechanism. Socialist economic system with Chinese characteristics is an innovative product of the combination between the basic principles of economic system in scientific socialism and the practice of socialist economy in China. As the practice of scientific socialism, it cannot be regarded as a completely independent or a special social and economic form juxtaposed with scientific socialism.

To regard socialism with Chinese characteristics as "socialism of a special historical form", the problem does not lie in its "specialty", because it is related to China's special national conditions, which determines its specialty compared with the socialist practice in various periods of time. The problem is that it abstracts the general from scientific socialism, and becomes "socialism of an independent form", and independent of scientific socialism. According to their logic, the socialist practice in each period of time would be "socialism of an independent

¹ Zhou Xincheng, "On Several Important Theoretical Issues of Adhering to Socialism with Chinese Characteristics," *Leading Journal of Ideological and Theoretical Education*, No. 6(2014).

form", as none of them meet the highest requirement of scientific socialism. Obviously, to deny that the nature of socialism with Chinese characteristics is scientific socialism is to distort the history of the great practice of scientific socialism in the past century, and risks pushing scientific socialism into "utopia". The cause of socialism with Chinese characteristics was commenced on experience and lessons in socialist construction in China and other countries. Without the arduous exploration of socialism and its economic practice before the reform, socialism with Chinese characteristics and its economic system would not have been established and improved.

It is obvious that the viewpoint to negate the primary stage of socialism as "the primary stage of the primary stage (the first stage) of communist society", in essence, is to deny China's socialism in reality today as scientific socialism, because it fails to grasp the scientific connotation of the primary stage of socialism. The primary stage of socialism includes two meanings. The first one defines the social nature of the primary stage of socialism, and shows that the Chinese society has already become a socialist society, which is different from both feudal society and capitalist society. We must adhere to socialism without getting divorced from it. Some people disagree, for the reason that China did not experience the full development of capitalism, and they do not believe that "a backward country can stride over the Caudine Forks of the capitalist system to establish a socialist economic system".¹ It is easy to fall into the "premature theory", which is in turn self-denied, leading to confusion on theoretic logic. For example, they argued, "Socialism with Chinese characteristics is guided by Marxism, and thus belongs to Marxist socialism and distinguishes it from various kinds of non-Marxist socialism." "Socialism with Chinese characteristics is scientific because it is both guided by Marxism, and built on economic conditions in reality. In this regard, socialism with Chinese characteristics is also a scientific socialism."² Here, they acknowledge that "socialism with Chinese characteristics" belongs to Marxist socialism, but not to scientific socialism, and on the other hand, that "socialism with Chinese characteristics" is scientific socialism, but does not belong to

1 Chen Wentong, "Cillirifying Several Misundentmding, concerning tire Basic Economic System," *Beijing Daily* (Juru: 12, 2006).

2 Chen Wentong, "OnParticularity ofSocialismWithChinese Characteristics," *Scientific Socialism*, No. 1 (2009).

Marxist scientific socialism. The vague concept and disordered theoretic logic have a negative impact on people's understanding of the theoretic, practical and historic logic of the development of socialism with Chinese characteristics.

2. Considering the Primary Stage of Socialism to Be Eternal

China is still and will long remain in the primary stage of socialism. This is a scientific conclusion drawn from China's economic and social reality and based on the objective summary of China's historical experience and lessons. We must be completely clear about this fundamental dimension of our national context, base our work on this most important reality—the primary stage of socialism, and strive tirelessly to realize socialist modernization and the great rejuvenation of the Chinese nation. This particular historical stage, to go through a long period of time, though, will not remain eternal. Some people argued that in the whole historical stage of socialism private economy and market economy should be developed, and socialism was the so-called "social justice plus market economy"¹ with neither public ownership nor distribution according to work remaining dominant. This is clearly the Western bourgeois viewpoint of "democratic socialism". Deng Xiaoping pointed out, "The essence of socialism is liberation and development of the productive forces, elimination of exploitation and polarization, and the ultimate achievement of prosperity for all." That is to say, although the subordinate private ownership and its exploitation still exist and remain in the primary stage of socialism, socialism will eventually eliminate exploitation and polarization. Deng Xiaoping also argued, "Socialism has two major requirements. First, its economy must be dominated by public ownership, and second, there must be no polarization." "The policies of using foreign funds and allowing the private sector to exist and expand are intended, in the last analysis, to develop the productive forces more vigorously and to strengthen the public sector. So long as the public sector plays a predominant role in China's economy, polarization can be avoided." This is obviously quite different from Mr. Wu Jinglian's view to completely sever public ownership from common prosperity or preventing polarization of wealth. Mr. Wu claimed, "We can safely say that

1 Wu Jinglian Interviewed by Journalist: The Basic Feature of Socialism Is Social Justice plus Market Economy," *Economic Daily* (August 5, 1997).

whether a country is socialist or not is not determined by the share of the state economy. When there is no class differentiation between a handful of exploiters who seize all the means of production and the masses of working people who have nothing with them, the socialist nature of the state is guaranteed be there many or few state elements of the economy, so long as the Communist Party adopts correct policies to effectively prevent the polarization in distribution of wealth."¹ When finding the state economy was strengthened through reform, they appealed, "A rollback with 'advancement of state economy and retreat of private economy' and 'new nationalization' has occurred in some areas. This tendency must be reversed."² This clearly ran counter to the goal of the reform of state-owned enterprises in the form of mixed ownership. Instead of removing the state economy, the goal of the reform is to strengthen, improve, and enlarge the state-owned enterprises, constantly invigorate the state economy, adapt to and lead the new normal of economic development, and contribute to the realization of the Chinese Dream of the nation's rejuvenation.

The viewpoint to regard non-public ownership and market economy as eternal existence is inconsistent with Marxist materialist conception of history, and must be corrected. "With the change in the productive forces as the indirect or ultimate sign, and the change in relations of production as the direct, the socialist society should be concretely divided into three stages: the primary stage, the intermediate stage, and the higher stage." "The ownership of the means of production in the socialist society of China will undergo changes in nature from the ownership structure with diverse forms of public ownership remaining dominant, to the ownership structure featured by diverse forms of public ownership, and to the ownership structure featured by a single ownership of the whole society, which represents in sequence the primary stage, the intermediate stage, and the higher stage of China's socialist society. At present, China is in the primary stage of socialism, where the corresponding ownership structure is the ownership structure with diverse forms of public ownership remaining

¹ Wu Jinglian, "Upgrading Theoretical Innovation of Socialism to a New Level-----Redefinition of Socialism," *Contemporary World and Socialism*, No. 3 (2007).

² Wu Jinglian, "Historical illumination to the Path of Future: On the Direction of Market Economy in China's Reform," *Comparative Economic and Social Systems*, No. 5 (2009).

dominant."¹ Accordingly, the economic operation mechanism in the primary stage of socialism takes market regulation as its foundation or some decisive role, and state regulation as the leading factor; in the intermediate stage, the role of market mechanism is obviously weakened; and in the higher stage, the economy is regulated only by plan. In the primary stage, the mode of distribution is presented as a diversified distribution structure with diverse forms of distribution according to work remaining dominant; in the intermediate stage, the distribution structure featured by diverse forms of distribution according to work; and in the higher stage, the structure of single one-level distribution according to work. As Comrade Liu Guoguang has stressed, "The socialist economic system, which exists in the primary stage of socialism and other stages thereafter, is a process of continuous maturation and development; and the basic economic system in the primary stage of socialism reflects only the features of the primary stage. It is conceivable that the non-public sector will not be immediately replaced by the public sector at the end of the primary stage. The intermediate stage will be a process in which the public sector of the economy will be further strengthened with its proportion continuously increased, while the non-public sector will gradually decline with its proportion decreased. In the higher stage of socialism, the socialist economy tends to mature, and the exploitation system and the economy of private ownership of the means of production will finally withdraw from the historical stage."² Therefore, the economic system in the primary stage of socialism is the expression of the socialist economic system with Chinese characteristics in the primary stage, and it will inevitably enter the intermediate and higher stages. It is totally a fallacy to regard non-public ownership and market economy as the eternal basic features of socialism as a whole.

3. Considering Socialist Economic System with Chinese Characteristics as the Only Model

Some scholars argued that the economic system in the primary stage of socialism in China is the only model of scientific socialism. This is an obviously one-sided viewpoint. The primary stage of socialism is a concept with Chinese

1 Cheng Enfu, "A New Theory of Three Stages of Socialist Development," *Jiangxi Social Sciences*, No. 3 (1992).

2 Liu Guoguang, "Reflections on Some Issues Concerning the Basic Economic System in the Primary Stage of Socialism," *Economic Perspectives*, No. 7 (2011).

characteristics. The economic system in the primary stage of socialism is the economic system of scientific socialism with Chinese characteristics, but it cannot be regarded as the only model of economic system for scientific socialism.

Lenin pointed out, "All nations will arrive at socialism-this is inevitable, but all will do so in not exactly the same way, each will contribute something of its own to some form of democracy, to some variety of the dictatorship of the proletariat, to the varying rate of socialist transformations in the different aspects of social life."¹ The primary stage of socialism with Chinese characteristics is a stage in the historical process of the development of scientific socialism. In this stage, following the basic principles of scientific socialism, and responding to the challenges of the times with a dose combination of China's national conditions, we have found a path corresponding to our own scientific development, established a socialist economic system with Chinese characteristics, and made remarkable achievements. Undoubtedly, it is the important sign that the practice of scientific socialism advances to the 21st century, and exerts and will continue to exert a far-reaching impact on the socialist practice in the world. However, this socialist economic system with distinct "Chinese characteristics", and its model of economic development are linked with China's unique cultural tradition, historical destiny, and basic national conditions. Although it can be used by other countries and nations as reference and inspiration in exploration for the path of socialist development, it is not the only model for them to follow. In the history of socialist development, the Soviet model was once regarded as the only model to copy, only to bring forth profound lessons.

After the drastic change of the Soviet Union and Eastern European countries, some Western scholars were impatient to declare that "socialism has completely failed", and "socialism has vanished, realistically and ideally". In *The End of History and the Last Man*, Francis Fukuyama asserted that the capitalist system was the ultimate state for the development of human history. However, capitalism failed to live up to his expectation as the old capitalist countries could not make a good example, while the former socialist countries, after disintegration, embarked on the road of Westernization, but achieving no expected good development.

1 *Selected Monographic Works of Lenin, On Socialism* (Beijing: People's Publishing House, 2009), 398.

Consequently, various socialist economic systems and their models of development emerged in response. In 1991, Belarus proclaimed its independence, and pursued the Neo-liberalist "privatization, liberalization, and marketization", only to see "the dropping production, severe inflation, sharply increased unemployment, drastic declining living standard, near-collapse of economy, and unprecedented turbulence and chaos in political and social life".¹ In 1994, Belarus quickly turned from "free market economy" to "market socialism". "The correct direction of reform and the road of gradual reform have allowed Belarus to be stable in politics and orderly in social life, and its people to live and work in peace since 1994."² The GDP of Belarus grew by an average of 8.3% annually between 2000 and 2007. In 2007, its GDP totaled USD47.7 billion, with a per capita GNP of USD4,220;³ in 2013, the total of its GDP was up to USD75.563 billion, and in 2014, USD78.879 billion. Meanwhile, the state economy of Belarus accounted for more than 70% in the industry as a whole, with its core industrial sectors controlled by the state. State-owned enterprises dominated even in the highly competitive supermarkets and travel agencies. Some scholars generalized the main features of economic system of Belarusian "market socialism" as follows: "The mixed ownership structure with state ownership as the mainstay; the combination of state regulation and market regulation, with state regulation as predominance; diverse modes of distribution with distribution according to work remaining dominant; reforming and strengthening social security on the basis of the social security system of the former Soviet Union; and economic transformation for improving welfare of the people rather than for the sake of reform."⁴ It can be said that the economic system of Belarusian "market socialism" is also a unique economic model with high-quality effect, and should be classified as a new exploration for scientific socialism in practice. We respect each country that, on the basis of following the basic principles of scientific socialism, explores in practice a model of development that conforms to its own reality.

1 Su Li, "An Analysis of Socialist Transformation Model of the Market in Belarus," *Macroeconomics*, No. 12 (2007).

2 Huang Zhibing, "Market-oriented Socialist Revitalizes Belarus-Report Based on Study and Investigation in Training Program for Chinese University Presidents in Belarus," *Studies on Marxism*, No. 4 (2011).

3 The World Bank, *World Development Report 2009*, translated by Hu Guangyu et al. (Beijing: Tsinghua University Press, 2009).

4 Huang Zhibing, "Market-oriented Socialist Revitalizes Belarus-Report Based on Study and Investigation in Training Program for Chinese University Presidents in Belarus," *Studies on Marxism*, No. 4 (2011).

To sum up, the basic principle of the economic system in scientific socialism is the theoretical root for socialist economic system with Chinese characteristics; socialism with Chinese characteristics is part of scientific socialism, and the practical experience of world socialism is an important reference for the establishment and development of socialist economic system with Chinese characteristics; the national conditions of China in the primary stage of socialism are the realistic basis for the formation of this economic system, and the socialist economic system will transit from its primary stage to the intermediate stage, followed by the higher stage, and eventually reach communist society; socialism with Chinese characteristics and its economic system provide a good example and model that can be used as a reference for the world, and various economic models of scientific socialism should learn from each other and achieve progress together.

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